

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK  
MANHATTAN DIVISION**

In re: § Chapter 11  
§  
DITECH HOLDING CORPORATION., *et al.*, § Case No. 19-10412  
§ (Jointly Administered)  
Debtors. §

**RESPONSE TO DEBTORS' NOTICE OF HEARING ON MOTION OF DEBTORS FOR  
ENTRY OF AN ORDER (I) APPROVING DISCLOSURE STATEMENT HEARING, (II)  
ESTABLISHING SOLICITATION AND VOTING PROCEDURES, (III) SCHEDULING  
SALE AND CONFIRMATION HEARING, (IV) APPROVING SALE AND  
CONFIRMATION OBJECTION PROCEDURES AND NOTICE OF SALE AND  
CONFIRMATION HEARING, (V) APPROVING BIDDING PROCEDURES, (VI)  
APPROVING ASSUMPTION AND ASSIGNMENT PROCEDURES, AND (VII)  
GRANTING RELATED RELIEF  
[DOCKET NO. 147]**

TO THE HONORABLE BANKRUPTCY JUDGE:

NOW COMES The County of Anderson, Texas, The County of Bastrop, Texas, The County of Bell Tax Appraisal District, Texas, The County of Bowie Central Appraisal District, Texas, The County of Brazos, Texas, The County of Cherokee, Texas, The County of Comal, Texas, The County of Comanche, Texas, The County of Coryell, Texas, The County of Denton, Texas, The City of Gorman, Texas, The County of Freestone, Texas, The County of Grimes Central Appraisal District, Texas, The County of Guadalupe, Texas, The County of Hardin, Texas, The County of Harrison Central Appraisal District, Texas, The County of Hays, Texas, The County of Henderson, Texas, The County of Hill Central Appraisal District, Texas, The County of Jasper Taxing Units, Texas, Kerrville I.S.D., Texas, The City of Waco, *et al*, Texas, The County of Milam, Texas, Newton I.S.D./The City of Newton, Texas, The County of Taylor Central Appraisal District, Texas, Comstock I.S.D, Texas, The County of Wharton, Texas, The County of

Williamson, Texas, The County of Cherokee Central Appraisal District, Texas, The County of Hill, Texas, The County of Harrison, Texas, The County of Newton, Texas, Gorman I.S.D., Texas, and The County of Eastland Central Appraisal District, Texas (collectively, “The Texas Taxing Jurisdictions”) and files this Response to the Debtors’ Notice of Hearing on Motion of Debtors for Entry of an Order (I) Approving Disclosure Statement and Notice of Disclosure Statement Hearing, (II) Establishing Solicitation and Voting Procedures, (III) Scheduling Sale and Confirmation Hearing, (IV) Approving Sale and Confirmation Objection Procedures and Notice of Sale and Confirmation Hearing, (V) Approving Bidding Procedures, (VI) Approving Assumption and Assignment Procedures, and (VII) Granting Related Relief (the “Motion”), and would show the Court as follows:

1. The Texas Taxing Jurisdictions are political subdivisions of the State of Texas and are the holders of claims for ad valorem real and business personal property taxes for tax years 2006-2018 and estimated 2019 against the property of the Debtors in the aggregate amount of \$132,842.42
2. These taxes are secured with a security interest that is superior to that of any other secured claim under the Texas Constitution, Article VIII, Section 15, and the Texas Property Tax Code, Section 32.01 and Section 32.05(b). *Stanford v. Butler*, 826 F.2d 353 (5th Cir. 1987), 11 USC § 506; *Universal Seismic Associates, Inc.*, 288 F.3d 205 (5th Cir. 2002); *In Re Winn's Stores, Inc.*; 177 B.R. 253 (Bkcy W.D. Tex 1995).
3. The Texas Taxing Jurisdictions do not oppose the sale of the property, but are entitled to adequate protection of its liens and request that the tax liens for the 2006-2019 tax year be expressly retained until payment of the 2019 taxes, plus any penalties and interest that may accrue thereon, in the ordinary course.
4. The inclusion of the following language in the Motion would be adequate to resolve the objection of The Texas Taxing Jurisdictions:

Delinquent property taxes, penalties and interest are to be paid in full from the proceeds of the sale, at the time of the closing of the sale transaction, and the ad valorem tax liens for the 2019 tax year are hereby expressly retained until payment by the purchaser of the 2019 ad valorem taxes, and any penalties or interest which may ultimately accrue to those taxes, in the ordinary course of business.

WHEREFORE, The Texas Taxing Jurisdictions do not object to the foregoing Motion but requests this Court order inclusion of such provisions in the Final Order as would protect the lien position of The Texas Taxing Jurisdictions and its liens be attached thereto with the priority they otherwise hold pursuant to non-bankruptcy law, and further requests other and such relief as is just and proper.

Dated: May 31, 2019

Respectfully submitted,

**McCREARY, VESELKA, BRAGG &  
ALLEN, P.C.**  
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/s/ Tara LeDay  
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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on May 31, 2019, a true and correct copy of the foregoing was served electronically through the Court's case filing system and through electronic mail to all parties listed in the Case to receive notices for the Southern District of New York, Manhattan Division.

/s/ Tara LeDay  
Tara LeDay